

SUMMARY FINANCIAL STATEMENTS FOR THE YEAR ENDED

31ST DECEMBER 2023

The Directors of Home Afrika Limited are pleased to announce the Audited Group results for the year ended 31st December 2023.

Audited Statement of Profit or loss An other Comprehensive Income		
	2023 Kshs	2022 Kshs
Revenue from contracts with customers	377,195,320	237,396,323
Cost of sales	(262,356,384)	(136,700,078)
Gross profit	114,838,936	100,696,245
Other operating income	13,042,482	12,296,875
Selling and distribution expenses	(7,146,950)	(7,220,898)
Administrative expenses	(80,262,576)	(90,608,083)
Other operating expenses	(37,208,466)	(39,413,533)
Operating (loss)	3,263,426	(24,249,394)
Finance costs	(25,512,991)	(40,412,546)
(Loss) before tax	(22,249,565)	(64,661,940)
Tax charge	(5,586,215)	(446,106)
(Loss) for the year	(27,835,780)	(65,108,046)
Total comprehensive (loss) for the year	(27,835,780)	(65,108,046)
(Loss) attributable to:		
-	(16,460,581)	(60,002,011)
-	(11,375,199)	(5,106,035)
	(27,835,780)	(65,108,046)
(Loss) per share (Shs)	(0.04)	(0.15)

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Audited Cosolidated Statement of Financial Position

	31-Dec 2023 Kshs	31-Dec 2022 Kshs
Non-current assets		
Property and equipment	49,346,569	56,053,965
Investment property	343,031,042	343,031,042
Intangible assets	379,168	565,922
Financial assets	2,000	2,000
	<u>392,758,779</u>	<u>399,652,929</u>
Current assets		
Inventories	3,401,751,171	3,582,144,154
Trade and other receivables	226,568,128	622,441,994
Cash and cash equivalents	33,821,780	3,190,807
	<u>3,662,141,079</u>	<u>4,207,776,955</u>
Total assets	<u>4,054,899,859</u>	<u>4,607,429,884</u>
Current liabilities		
Deferred income	796,443,392	1,087,477,331
Trade and other payables	1,456,383,550	1,599,298,705
Deposit from sale of plots and units	2,598,749,767	2,223,142,404
Borrowings	931,613,712	1,330,490,255
Private placement bond	680,950,000	820,660,028
Deposit for shares	152,446,022	155,346,022
Current tax	24,859,091	19,079,000
	<u>6,641,445,534</u>	<u>7,235,493,745</u>
Net current liabilities	<u>(2,979,304,455)</u>	<u>(3,027,716,791)</u>
Total liabilities	<u>6,641,445,534</u>	<u>7,235,493,745</u>
Net liabilities	<u>(2,586,545,675)</u>	<u>(2,628,063,861)</u>
EQUITY		
Share capital	405,255,320	405,255,320
Share premium	68,842,038	68,842,038
Accumulated deficit	<u>(2,531,393,271)</u>	<u>(2,584,286,656)</u>
Equity attributed to owners of the company	<u>(2,057,295,913)</u>	<u>(2,110,189,298)</u>
Non-controlling interest	<u>(529,249,762)</u>	<u>(517,874,563)</u>
Total equity	<u>(2,586,545,675)</u>	<u>(2,628,063,861)</u>

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Consolidated Statement Of Changes in Equity For The Year Ended 31 December 2023

	Share capital Shs	Share premium Shs	Accumulated deficit Shs	Total Shs	Non controlling interests Shs	Total equity Shs
Year ended 31 December 2022						
At start of year	405,255,320	68,842,038	(2,524,284,645)	(2,050,187,287)	(512,768,528)	(2,562,955,815)
Total comprehensive (loss) for the year	-	-	(60,002,011)	(60,002,011)	(5,106,035)	(65,108,046)
At end of year	<u>405,255,320</u>	<u>68,842,038</u>	<u>(2,584,286,656)</u>	<u>(2,110,189,298)</u>	<u>(517,874,563)</u>	<u>(2,628,063,861)</u>

Year ended 31 December 2023

At start of year	405,255,320	68,842,038	(2,584,286,656)	(2,110,189,298)	(517,874,563)	(2,628,063,861)
Prior year adjustment	-	-	69,353,966	-	-	69,353,966
Total comprehensive (loss) for the half year	-	-	(16,460,581)	(16,460,581)	(11,375,199)	(27,835,780)
At end of half year	<u>405,255,320</u>	<u>68,842,038</u>	<u>(2,531,393,271)</u>	<u>(2,126,649,879)</u>	<u>(529,249,762)</u>	<u>(2,586,545,675)</u>

Condensed Consolidated Statement of Cash Flows For Year Ended 31 December 2023

	2023 Kshs	2022 Kshs
Operating activities		
Cash from operations	395,618,598	46,073,438
Interest paid	(25,512,991)	(40,412,546)
	-	(47,560)
Net cash from operating activities	370,105,607	5,613,332
Net cash (used in) investing activities	431,652	(627,000)
Net cash (used in) financing activities	(339,189,008)	(1,395,217)
(Decrease)/increase in cash and cash equivalents	<u>31,348,252</u>	<u>3,591,115</u>
Movements in cash and cash equivalents		
At start of year	(209,539)	(3,800,653)
(Decrease)/increase	<u>31,348,252</u>	<u>3,591,115</u>
At end of year	<u>31,138,713</u>	<u>(209,539)</u>

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1. PERFORMANCE / FINANCIAL HIGHLIGHTS

The group continue to report better performance since the implementation of the Turn Around strategy which covered four key areas; Debt Restructuring, Business Continuity, Organizational Restructuring and Check on the Internal Control Systems.

This has led to the company reporting an operating profit growth of 113% for the year ending 31st December 2023 compared to the same period in 2022. The main contributor being the increase in reported sales of 59% which arose from the increase in registered leases and issued titles. This growth will continue as we continue to implement the strategy which is now reflecting in the numbers for the past two years.

Operating and administration expenses reduced by 6% and 11% respectively for the year ended December 2023 compared to the same period in 2022, this is due to the continued internal controls systems implemented.

Negotiations and agreements signed with the banks and some key debt stakeholders have borne fruits as we see the decrease in Finance cost by 37%, borrowings and the private bond reduced by 25%. The company is committed to adhering to the terms of the agreements to strengthen the balance sheet.

A business continuity committee was formed to develop other real estate solutions which will bring revenue to the company, exit the already sold out projects and hand over to the management companies for the developer to stop incurring additional cost. The committee is also mandated to develop strategies and partnerships in affordable housing space.

The overall effect of the implementation of the turnaround strategies, has led to the group reporting a material reduction in losses after tax by 57%. (From KSh. 65.1 million for the period ending Dec 31st December 2022 down to KSh. 27.8 million posted in 2023.)

2. BOARD STRATEGY TO PROFITABILITY

The board is committed to put in strategies that will improve the performance of the company and create value for the shareholder as seen in the numbers since the implementation of the Turnaround strategy began. We look forward for a better performance in 2024

3. DIVIDEND

The directors do not recommend a dividend for the period ending 31st Dec 2023.



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These summary financial statements are extracts from the annual report and financial statements of the company. GMK Accountants LLP as the external auditors have issued a disclaimer of opinion audit report on the financial statements on the basis of going concern, related party transactions and impairment of inventory

The financial statements of the company were approved by the Board of Directors and signed on its behalf by:

Peter Mungai
Group Chairman

Jayne Nyokabi
Managing Director